

# **EXHIBIT A**

## **Redacted**

4<sup>th</sup> September 2023

Dear Judge Stein,

At the end of last year, after I stood before you and pled guilty, you asked me why I committed this crime. As a starting point to this letter, I wanted to try to properly answer you.

Your question, Your Honor, is one that I have asked myself many, many times. How did I do this to my family, to the innocent victims of my fraud, to everyone who believed in and depended on me, and to myself? I had what most would consider a dream life of a lovely wife, healthy children, and a well paid job that I really enjoyed. Yet at every moral crossroad, as the stakes got bigger and bigger, I took the coward's way out by continuing the lies rather than facing the consequences. I am ashamed and disgusted by what I did. No matter how many times I run through it, I struggle to come to terms with the fact that I allowed my ambition (and greed), and then latterly, in 2017, my fear, to overcome my moral compass.

In this letter I attempt to answer Your Honor's question as well as I can. To do this, I think I need to start by explaining the situation more fully, and therefore to go back to my experiences in the art world prior to meeting Inigo Philbrick.

I joined [REDACTED] auction house in February 2009, as the Strategy Manager, reporting to the COO and CEO, and leading a team of three taking on projects that needed different parts of the organization to work together. Examples included cost cutting exercises, the development of strategic plans for our diversified businesses, and the entry of [REDACTED] into China. This was similar in nature to my work at [REDACTED] the consultancy firm where I'd worked in 2007 and 2008, but in one company rather than across industries. During my time at [REDACTED] I learnt a lot about the art industry, but little about the art, artists and clients at its core. This expertise was held by the specialists of the respective departments with Art History knowledge, and was treated as hallowed ground upon which non-specialists should not tread.

This changed somewhat when, in the summer of 2012, I was approached by a headhunter about a role as the Commercial Director of [REDACTED], a gallery headquartered in London. I had one young child (2 years old), another on the way, and the role was full of opportunity and promise. [REDACTED] and a large part of my new role was to lead them. I was asked to do this in part because I was neutral and did not have my own clients and artists who I might prefer. I was confident in my knowledge of how businesses should be run, but I felt far less certain on what drove the decisions of clients and artists. I learnt about it through the dealings of my team, but I felt this was a shortcoming for me and, as a result, an area of insecurity.

As Commercial Director, I reported to [REDACTED] I worked on a number of projects for him outside of running the sales team, and also outside [REDACTED] One of these was another business [REDACTED] owned called [REDACTED], where the question was what to do about Inigo Philbrick, the young Director who ran it for him. [REDACTED] framed the problem as one of retention. Inigo had grown the role significantly from his original position just managing the collection (moving works, purchasing works [REDACTED] instructed him on, etc), and instead turned it into a position where he was actively buying and selling works for and from the collection as he deemed appropriate. He had done this over several years, firstly making suggestions to [REDACTED] and then, when these proved themselves, [REDACTED] allowed him to make acquisitions and sales himself. His level of profitability was staggering, especially relative to the 150-person staff of [REDACTED]. It wasn't only one or two deals, but consistently over multiple years. I saw data that Inigo had taken the operational profitability of [REDACTED] to over \$10 million versus the circa \$1 million we

were making in the core [REDACTED] gallery business. [REDACTED] was extremely excited by his performance, but also very aware that Inigo could, and indeed already was, showing signs of wanting to leave and set up his own business. [REDACTED]

[REDACTED] This was because the active trading by Inigo in the markets of young artists was seen by many, including the artists themselves, as unacceptable, violating the industry norm that you didn't actively look to make profits by reselling works by living artists. [REDACTED]

[REDACTED] Firstly, though, we would have a UK company which, after much discussion and resistance [REDACTED]

[REDACTED] was called [REDACTED] registered in British Columbia. This in turn was owned 50% by Inigo the person and 50% by an offshore entity registered in Jersey called Inigo Ltd. To anyone who looked at the UK company accounts, [REDACTED] would seem to be controlled fully by Inigo since his name is on all of the companies above it. [REDACTED]

[REDACTED] This type of structuring was not new to me. I had seen more complex versions of it through my time in McKinsey working in the financial industry. I did not see it as wrong, [REDACTED]

This did not shock me. I didn't see the offshore structure as exceptional in and of itself – [REDACTED] I had frequently seen the use of offshore companies to minimise tax or enable privacy, including sometimes from spouses or colleagues – and since joining [REDACTED], I'd quickly come to learn that a fair amount of deception was accepted practice in the art world from [REDACTED]

[REDACTED].<sup>1</sup>

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<sup>1</sup> For example, both [REDACTED] and Inigo used 'beards', a term I learnt meant the use of a third party, often someone of note, to purchase an in-demand primary painting from a gallery. Galleries frequently do not sell to the highest bidder on the market, but rather 'place' works at well-below market prices with important collectors or museums in order to enhance the overall value of the artist, lifting the value of all their work over time. 'Beards', such as a celebrity or collector with links to museum patronage, could acquire works where others could not. Inigo [REDACTED] would arrange for a 'beard' to make a purchase, then purchase it from the beard at a considerable mark up, but still far less than the true secondary market price, which would then be available on the resale. 'Bearding' was Inigo's most commonly deployed tactic to access primary works, [REDACTED]

Another practice I learnt about in my first meeting with Inigo [REDACTED] involved selling a painting

After devising the ownership structure of [REDACTED] Inigo's new trading entity, the next areas to define were the funding requirements and management practices. All of this involved numerous conversations with Inigo. I led these, trying to find a path forward that would be suitable [REDACTED] [REDACTED] Throughout the process, I was impressed with Inigo's sole focus on trading artworks to make profits. He did not overly argue the deal term percentage splits on commissions or the finer details of the contract. He was focused on ensuring the structure enabled him to have the freedom and the financing to keep trading as he needed — i.e., he wanted to build for the future rather than argue over profit splits today. Throughout this process, Inigo and I began to talk about how he envisaged building the business beyond him as a sole trader. In his vision, he wanted to be focused on artwork acquisitions (his strength), and build a sales team who could do the selling (whilst he could sell well, he claimed buying was his forte). By end of summer, an agreement was reached and the lawyers converted it into a 30-page document [REDACTED] that would govern all aspects of how the company should be run, including having me positioned in a 'manager' role and getting 1% of company profits. Although titled a 'manager role', it was anything but, as I had minimal to no control over the business. At this stage, the main purpose of my role was to be a deciding vote in any instances [REDACTED]

[REDACTED] Despite my limited role, I was very keen to grow the position and help make [REDACTED] a successful business. I could see its enormous potential, as well as a significant role for me managing its future sales team.

The new company structure went live in October 2013. As part of this, [REDACTED] [REDACTED] This was the first really uncomfortable work meeting of my life, since although I had the reassurance of the lawyers, it was obviously deceitful. [REDACTED]

[REDACTED] We provided it. The narrative that I told myself at this stage was that it [REDACTED] and I was acting under orders, merely

before it had been purchased. In these deals, a conversation would be started with client A to buy a painting from them. If this looked promising, a conversation would be simultaneously started with client B to sell the painting to them. This much is normal business practice, but [REDACTED] and Inigo took it further, closing the sale with B first and using the proceeds to acquire the work from A. This took out the risk that the buyer might not complete on the purchase, replacing it with the risk that the seller might not come through and sell. But having to tell the buyer, 'I'm sorry here is your money back', was deemed a lesser risk than being stuck with a painting for which you no longer had a buyer.

Similarly to the above, 'teeming and lading' (the practice of paying out Creditor A with the proceeds of a sale that was due to Creditor B) was a process explained to me by [REDACTED] in 2013 as he observed Inigo's ability to stretch the cash in the [REDACTED] company to get more deals done. [REDACTED] was not overly keen on it, but we all admired the fantastic returns it helped generate.

Other unusual practices when it came to 'stretching' cash seemed to be standard. For example, [REDACTED] [REDACTED] sold millions of euros of his works following President Hollande's introduction of a 75% super tax bracket on incomes over EUR 1 million in 2012. [REDACTED] would retain the proceeds of every sale until a more agreeable tax regime came about or an alternative way to process the money could be found. [REDACTED] the balance — more than 20 million euros — was used to finance deals and [REDACTED] expansion.

helping make it come about. Additionally, we ([REDACTED]), had seen this as the only way to make a continued relationship between [REDACTED] Inigo work given both their preferences for secrecy. Looking back, this was obviously a foolish position to put a young business into – forcing it to tell lies from day one.

The business got off to a promising start, with Inigo making strong deals. However, in early 2014, it hit a major bump when Inigo made a profit of over \$4 million on a single painting. According to the terms of the deal, the majority of this gain [REDACTED] but Inigo was still due a commission of 20% (\$800,000). [REDACTED] felt that despite the extraordinary level of profit, it was too large an amount for Inigo. He confided in me that this sort of money would give him the resources to trade outside of the relationship for his own benefit, and we therefore needed to rein him in somehow. I could see truth in [REDACTED], but since I also knew that not paying Inigo what was due to him would also cause more immediate problems, I was strongly in favour of sticking to the contract terms. Inigo [REDACTED] fell out quite significantly over this and I worked hard to try and pull them back together.

Ultimately, we negotiated a settlement where Inigo was to get 7.5% commission on the deal instead of 20% as an exception, but it created significant tension [REDACTED] Inigo and changed the relationship.

[REDACTED] breaking the agreement was frustrating for me. By this stage, I was hoping (and had discussed with Inigo [REDACTED]) that we could build [REDACTED] into a very significant trading business where Inigo would be making acquisitions and I would be running the sales and operational team. I enjoyed immediate success running the [REDACTED] sales team, and felt that I could do the same in Philbrick, but with art which was in higher demand, and at higher price points. Additionally, by this stage (mid-2014), I had sold my flat in Birmingham and invested the proceeds into a deal in [REDACTED] (this was allowed by the terms of the agreement). I felt committed to making this venture a success. But by breaking the agreement, [REDACTED]

[REDACTED] I could see no one else within my sales team, [REDACTED], who had both Inigo's knowledge about the commercial opportunities that certain artists represented, and his ability to go out and execute trades and earn profits. I did not have deep experience in the gallery world, but I'd graduated from the London School of Economics and Haute Etude Commercial Paris, had been in the business world for 10+ years, saw Inigo's track record, and knew that his percentage of investment return was extraordinary in any business. If his talent could be scaled with appropriate management, I believed our new venture could dominate the art world, an industry that had barely been touched, as far as I could see, by many basic business principles such as incentivising sales team members in the correct way to reduce conflicts.

In addition, a friendship with Inigo had grown. Over dinners or drinks we discussed many aspects of the art industry, with him educating me in the art and client side of the business — about what he looked for and why, but also how to behave with clients. We went to a number of restaurants and private clubs where Inigo helped me navigate the sensitivities of everything from the subtleties of the unwritten dress code, to understanding shoes, watches, wines and food menu choices. I was not a novice — I'd worked for [REDACTED] — but Inigo would kindly mock my taste, clothes and lack of understanding of the world he and his clients inhabited, and I was grateful to him for teaching me. We also discussed at length the mistakes we believed others were making in the art industry, including [REDACTED]. The more we talked, the more interested I became in going into business together, convinced of what we could achieve.

By May 2014, Inigo had set up his own UK Ltd company, fully declared to us, called Inigo [REDACTED]. [REDACTED] I knew about this and understood it needed to be done since we were having difficulty with the banking arrangements for [REDACTED] (because its ultimate ownership was opaque, the bank was asking KYC questions, and almost inexplicably [REDACTED]). Inigo therefore set up his own company so he could keep trading despite the banking issue, assuring us that the funds would be treated exactly as the [REDACTED] funds were to be treated so that there was really no change. In reality, I learned fairly soon after its setup that Inigo did not declare all the trades to the accountants and started to maintain one set of books for [REDACTED] (his company) and one for [REDACTED] ([REDACTED]). This was a major breach in the agreement, [REDACTED].

The fact that Inigo did this was an early warning sign. He had no compunction about breaking an agreement, and a cavalier attitude to adhering to what he had signed up to. [REDACTED] he was concerned he had broken the agreement and tasked me with negotiating amendments so that he could function as he wished to going forward. At this stage, however, I was still fixated on trying to make it work [REDACTED] and saw it as another problem to solve and to incorporate into the agreement amendments. Stepping back, I can see now that it was also my own hope for the business that made me willingly ignore Inigo's behaviour. I did not heed the warning sign. Instead, I battled to renegotiate the agreement to ensure that there were no future activities by either side that would breach it so we could have a lasting solution. I was also trying to preserve the future for [REDACTED] and the significant role I envisaged in it for me.

It was at this point that [REDACTED] (one of the victims several years later) approached [REDACTED] asking if he wished to borrow from them. After [REDACTED] declined, they mentioned to me that they were going to meet with Inigo Philbrick, who they knew previously worked with [REDACTED]. They asked me if [REDACTED] and Inigo were still working together, to which I said no, but that they still did the occasional deal together. [REDACTED] went on to meet Inigo, and he later told me he had felt uncomfortable with them, finding them overly money focused as compared to his usual clients/investors.

This is where my involvement with Inigo deepened (early 2015). I knew he needed more financing and felt I could bring a lot of value to and impress him if I could arrange a deal with [REDACTED] that would work for him. With his fantastic track record Inigo was a 'hero' figure to me, always keen to do more trades, but constantly frustrated by the limited scale of [REDACTED] funding. He sometimes paired with funders to invest in deals inside [REDACTED] as allowed by his agreement with [REDACTED] but bringing [REDACTED] on board would be a big move towards building the big trading business I wanted, and if I could help make this happen, it would prove my worth in the setup.

[REDACTED] had a financial background with a different, lower risk profile to Inigo, so I just needed to find the common ground to do a deal. I suggested a split return where [REDACTED] would finance 70% of any trade and get the first 10% return, but after that, profits would be split 50:50. This would satisfy [REDACTED] lower risk appetite, plus give Inigo an opportunity to earn outside returns to his 30% investment if he got very high returns. Both Inigo and [REDACTED] were keen on the deal, and Inigo suggested a \$650,000 Rudolf Stingel painting as the first acquisition, which [REDACTED] quickly agreed to.

My assumption going into this was that this work would sit in [REDACTED] ([REDACTED]) as it was the company we had been focused on developing over the previous two years. However, when the deal was done, Inigo moved it into [REDACTED] ([REDACTED]) claiming afterwards when I asked that he did it because we might get the same KYC issues with [REDACTED] team if

we used [REDACTED] as the contracting entity. Since I had constructed the financial deal, Inigo also offered me the opportunity to invest in the deal using the funds I had put in [REDACTED] alongside his funding of the first deal — i.e., we would split his 30% into 15% for him and 15% for me.

For me this was a major fork in the road in my relationship with Inigo where I should have said 'no'. It is where the wrong all started. If the deals with [REDACTED] were to be in [REDACTED] I should not have participated in them as this was in clear breach of what my contract allowed me to do. Whilst not criminal, investing in deals done in [REDACTED] would also forever put me in a compromised and vulnerable position to those that knew of it (Inigo and [REDACTED]). I did it because at this stage my ambition was shifting from building [REDACTED] to building a relationship with Inigo. I was desperate to impress him as I could see that working with him alone was likely the future [REDACTED]

[REDACTED] I was also excited to be directly investing and profiting from the deals. I had seen the vast profits being made and directly investing allowed me to benefit as well on the same terms as Inigo. I therefore fought down my concerns and stayed involved.

The Rudolf Stingel painting was sold several months later at an incredible \$1.2 million, resulting in a large percentage profit for Inigo and myself (over \$100,000 each). This was very significant to me. It represented a very large increase in my wealth, and I can see that the opportunity to earn this kind of return greatly influenced my decisions in the months to come. (One point of note: I still have no idea whether this was a genuine deal with no price manipulation by Inigo, but if it was fraudulent, I never heard about it.)

[REDACTED] (and I) were keen to do more deals. Over the coming months of 2015, and through 2016, over ten deals were entered into between [REDACTED] and Inigo. My role, although minimal in the sense that I did not choose the art or have contact with the seller or the buyer, was to confirm all the numbers and be the oil in the relationship between [REDACTED] and Inigo. The latter's way of working created numerous frustrations for [REDACTED], with [REDACTED] (one of the [REDACTED] partners) frequently calling me in extreme frustration because Inigo would not adhere to the relatively simple instructions regarding routing the funds from deals, creating numerous delays from the point Inigo announced a sale to when [REDACTED] actually received funds. I now understand the reason, but at the time I didn't question Inigo's explanations.

Despite the operational challenges in the relationship between Inigo and [REDACTED], the amounts of money being made on the trades was good for both sides, with [REDACTED] earning multiple millions in 2015/2016. Financially, for myself, although I was reinvesting my full share of the proceeds of any sale, my limited resources meant I couldn't keep up -- the investments were now running concurrently to each other with ever greater capital requirements. Inigo offered to loan me the money so I could stay invested, which I accepted for a time, and saw as a sign of friendship and of his valuing my importance to the [REDACTED] relationship.

I was not working for Inigo at this stage. We had the [REDACTED] deals and I wanted to come on board more fully, but Inigo deemed the timing not to be right vis a vis his relationship with [REDACTED]. Therefore the relationship was one where Inigo would come to me, typically once every week or two, with ideas about opportunities, and I would act as a sounding board, giving him my thoughts from a business perspective. By the summer of 2016, I had grown increasingly uncomfortable with the breach of my [REDACTED] contract and eager to step toward working with Inigo. To resolve both I resigned from [REDACTED] in June (with 6 months' notice) to become a freelance consultant capable of working with different clients, but most importantly with Inigo. I had now made more than two years of my



████████ salary with in my ██████/ Inigo trades, and even though I never saw the money,<sup>2</sup> I always thought I could take the money out when I needed it to pay for my living expenses. When we worked out the terms for my consulting, Inigo offered to pay me \$20,000 a month, matching my ██████████ salary, whilst still enabling me to work with other clients.

It was whilst working my notice period in late 2016, that Inigo told me about his plan to 'stuff' a new investor I later learned was ██████████ but who at the time was only known to me by the code name of Hashtag. (This giving of code names was not uncommon in the discussions between ██████ and Inigo as neither wanted to disclose clients to the other – a practice also used at ██████████.) This new investor had done a number of joint purchase deals with Inigo, and suggested a contract for a longer term fund setup. Inigo showed me the contract and when I pointed out what I thought was quite a significant flaw in the business terms for him, rather than not do the deal or renegotiate it, he said, 'in that case I'll stuff him'.

By this point, I knew what the word 'stuffing' meant (or thought I did). ██████ had become comfortable enough (and impressed enough) with Inigo that they showed him several profiles of artworks that they had bought with other gallery owners and dealers that they were struggling to profitably sell. Inigo explained to them that they'd been stuffed – i.e., persuaded by the dealer or gallery owner to co-invest in overpriced work that the dealer couldn't sell to others or needed to buy at auction to support an artist they represented. This made sense for the dealer or gallery owner since it allowed them, when selling other works by the artist, to point to a solid auction record whilst minimizing/reducing their capital outlay. However, for ██████ – and, soon, for Inigo's new client ██████████ – it meant they were stuck invested in overpriced, illiquid artworks.

I now see this was THE moment where I should have ceased working with Inigo. His willingness to 'stuff Hashtag' showed a side of his character I hadn't seen before. I was shocked how he went from treating 'Hashtag' as a client/potential long term investor to seeking to stuff him, seemingly in a very short space of time.

Despite this new understanding, I went forward with Inigo. By this stage I was on my way out of ██████████ and was committed to build Inigo's company ██████████. Additionally, I felt that despite seeing a side of Inigo that I didn't like, once we started working together, I would be able to stop him from this sort of activity – primarily because we would be so successful in our core business he wouldn't need to, but also because I was thinking that I would be more in the driving seat of his business and would be able to stop it.

I was also incredibly keen to build a business with Inigo. I believed deeply in his ability, and so I convinced myself that his flaws could be controlled/changed. If I had been honest with myself, what I had seen in Inigo was a carefree willingness to tell a lie to a client/investor to take money from him. Additionally, I would have also seen the reality that we were not becoming partners – that was something I desperately wanted, and he seemed excited by this vision for the future too – but he remained forever in the driving seat, making major decisions and, where he thought I might disagree, doing so without consulting me. In hindsight, the notion that I could control/veto him was ridiculous. Looking back now, knowing how it escalated from here, it seems so incredibly naïve and short sighted, but I was convinced this business was the great opportunity of my life, and I told myself that I needed to swallow hard and have the courage to pursue it.

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<sup>2</sup> Inigo eventually paid me out on a portion of my investment profits by providing me with three paintings and a desk he claimed were worth more than \$500,000 ██████████.



I left [REDACTED] at the end of 2016 and started my consulting business in January 2017, planning to spend 50% of my time working for Inigo. As it turned out, 2017 was a pivotal year for him. His fortunes changed, and his immaculate trading record and the arrogance that created turned against him. The major long term positions he had taken in three American artists (Wade Guyton, Rudolf Stingel and Christopher Wool) had all started to stagnate. These middle aged, white, male artists fell out of favour in 2016 and 2017 in preference to works by female, or diverse, or younger artists, and whilst Inigo did trade in works by these artists (such as Mark Bradford), he didn't, with the exception of Basquiat, have large positions.

Upon starting, I very quickly realised there were significant issues in Inigo's business. I was digging into the financial accounts and trying to square what I found with the deals Inigo was discussing. My sense was that the business was viable but there was a continuous cash crunch, with Inigo spending a large amount of time managing the immediate demands of creditors. He had gotten into a vicious circle of teeming and lading, which seemed an incredibly stressful way to run the business. It also meant Inigo was responding to whoever made the most noise and thus unable to raise his head above the water, look dispassionately at the positions he had, and focus on strategy.

As my first project, Inigo asked me to help him extend his position with the art money lender [REDACTED]. Looking back, this was the moment I joined his fraud. Whilst I didn't alter any documents or paperwork, I did forward documents I knew had been altered. The first time I suspected it and the second time I knew it because I queried one of the numbers I knew was wrong and Inigo said, 'don't ask'. The falsified documents I forwarded were bank statements showing what Inigo had paid for something.

It is painful to recall this time and ask myself why I didn't just walk away. I had worked hard to accomplish a fair amount in business, had other options, and I was sending falsified bank statements to support a loan. It was an obvious huge step further than knowing about Inigo's 'stuffing' or breaching my contract with [REDACTED]. But at the time it did not carry the huge connotations it should have. It certainly did not strike me as deciding to start engaging in fraud. The business was in a crisis, which Inigo assured me was momentary cash flow related, and this was the path that would save it. I told myself that I'd made the decision to build a business with Inigo, and needed to plow through the difficulties all early ventures have. I was frequently listening to a podcast at the time called 'How I Made It' full of founders such as AirBnB talking through the early, difficult years. This kept me, wrongly, believing I needed to stick with it and it would all come through in the end.

I was also financially committed. I was the major salary earner of my family. I had left a well paid job to do this and had invested all my own personal savings into it. More than this, I was worried about my reputation and ability to find other work in the art world. I'd seen how Inigo treated people if he didn't like them and was under no illusion as to how he'd treat me if we fell out. I also knew that I'd be hard pressed to get any sort of reference if my involvement with Inigo was made known to [REDACTED] as I knew I'd betrayed his trust in me by investing with Inigo.

Lastly, I was concerned about Inigo's level of respect for [REDACTED] and how they would fare without me present. Inigo did not like them in the same way he did clients such as [REDACTED] (known to me as 'good [REDACTED]'), or [REDACTED] (known to me as 'Hedgie') where there seemed a genuine relationship. I felt a responsibility to [REDACTED]. It was I who had come up with the financial terms for the deal with Inigo, and it was I who helped keep the relationship together by smoothing over problems and listening to their frustrations. Alone amongst Inigo's clients, these were people I had met and spent time with. I had been to visit them in Germany and at one point (in 2015, if I recall correctly) we had even discussed the idea of my coming to work for them. I genuinely liked them and found

them vastly more relatable than most in the art world. Now that Inigo's business was in a difficult place, I was concerned that [REDACTED] would be made to suffer at the expense of others.

As to Inigo, throughout this 'temporary cash crunch' (which is how he explained it, but which ended up lasting for the entire period I worked for him), he remained extremely confident about both the long term prospects for the artists he believed in and very bullish about the near term future. On this first time I knowingly forwarded a fraudulent document, Inigo assured me it would only be for two weeks as he was selling a large painting he owned 100% and the cash from this would straighten out the bad position that required [REDACTED] financing. When I expressed misgivings, he told me not to be ridiculous and that he would forward the documents if I preferred. As I was trying to prove my value in freeing him up from this administrative side of the business, and managing an important relationship, I said, 'no, it's ok'. (Like [REDACTED] [REDACTED] were financial people that Inigo and I both felt I was in a better position to interact with than the more art-knowledgeable clients he handled.) I had just walked into the business in terms of starting to know its financials, and had no indication of what Inigo's asset position truly was, but I took him at his word that the upcoming sale in two weeks would put the position right.

Whilst Inigo did quickly rectify this particular bad position with [REDACTED], as I continued to work with him in early 2017, more troubling information came out. In February, Inigo told me he owned two paintings he'd bought privately at Phillips, one of which we had offered to [REDACTED]. A week or so later when we were discussing moving one of the works, Inigo mentioned that he still had to 'settle Phillips' — i.e., he had 'bought' the paintings, but was yet to pay Phillips and so did not actually control them. By this time, [REDACTED] had invested into one, not knowing Inigo was not in control of it, and I had assisted in it. I was quite shocked as it meant the funds from [REDACTED] had gone to a completely different painting and that [REDACTED] were exposed. This was when my motivation for staying with Inigo started to transition from a belief that we could build something great together towards protecting myself and those I felt responsible for.

It was because of this incident, to avoid it happening again, and to try and understand if Inigo was in the black or in the red, that I started creating what I called 'the asset list'. This was my attempt to understand Inigo's net position on all the artworks that he controlled and thereby understand whether he was theoretically solvent or not — i.e., whether the 'bad positions' were outweighed by 'good positions'. I did this by creating a complete list of each artwork in Excel, and then against each one, writing its estimated value and the ownerships others might have in it. All the information came from Inigo. I couldn't ask the accountants for this since, firstly, their information was always out of date by the time it came through since these were live deals, and, secondly, they weren't aware of the true position on each painting.

Inigo and I were both keen to see the results of the accounting, and at our first attempt, it came out as him being \$8 million or so to the good — i.e., if all assets were sold at what he considered very achievable prices and all creditors settled, Inigo would be up \$8 million. I kept this spreadsheet live throughout the rest of the time I worked with him, updating it as sales and acquisitions were made, or new information came to light. It initially seemed like a good idea to get control of the business, and it gave me confidence that Inigo was able (in theory) to meet his creditor demands, albeit on the assumption he was able to sell these assets. But with time, I've come to see that the greater organization I imposed via the asset list contributed to the crime, allowing the fraud to stay afloat longer and thus defraud more people of more money. What I saw as helping manage the 'business' by prioritizing debts and tracking who could be paid when — i.e., how to keep the creditors at bay — was in fact my helping prevent the fraud from collapsing sooner.

By this time, I felt physically sick each day. When we were not discussing an immediate cash crunch and who to pay first, the work typically involved the collation of information that Inigo would give me about works, such as provenance, bills of sale and preparing all this in one well-presented email for [REDACTED]. Or drafting emails for Inigo to send to [REDACTED], or for [REDACTED] updating them about their investments. They were administrative level tasks and often criminal, with the emails containing information I knew was false. I had wanted to build an amazing art business with Inigo, instead I was doing administration to prop up a fraud.

I remember clearly one morning having a breakdown in the public changing room of my gym. I decided I just couldn't handle the stress anymore and resolved to tell Inigo that day that I was leaving. But when I got to his office there was a fresh crisis and I immediately snapped back to problem solving mode, trying to get through to the following week without it all collapsing.

One of the worst moments of this was in about April 2017. I learned Inigo had sold a work co-owned with [REDACTED] and used the funds to satisfy other creditors when he casually mentioned that he was relieved to not see the work in the auction catalogues for May since he had thought the person he had sold it to might have entered it into one of them. When I confronted him about this being a total 'bad' position which I'd known nothing about, we fell out for the first time. Inigo accused me of only caring about [REDACTED] (which was a fair accusation since these were the investors I knew and had dealings with), said that he had a huge risk position with 'Hedgie' ([REDACTED]), and that if it came to a crunch he would ensure Hedgie was taken care of and [REDACTED] could go to hell.

This is where I lost all belief that we could build a business together. From here, my priority became trying to get out with some sort of intact reputation and to ensure [REDACTED] were protected. The two of these were interlinked in that if [REDACTED] ultimately lost money with Inigo through us having lied to them, they would surely speak to [REDACTED] about my role whilst at [REDACTED]. (This was my only real fear at the time. That what we were doing was criminal had not entered my mind.)

In summer 2017, the situation seemed to improve when Inigo secured (without my involvement) a \$6 million 'loan' from [REDACTED]. I put inverted commas around the word loan since this was what I understood, at the time, it to be. In reality, I later discovered it was another sale buy back arrangement on three of the biggest works in Inigo's inventory, works he co-owned with other investors including [REDACTED]. At the time, this \$6 million was a huge relief and we were able to put many of the bad positions right. For a while, it looked like we were turning a corner as the trading activity which was at the core of Inigo's amazing performance whilst he was at [REDACTED] began to pick up.

[REDACTED]  
[REDACTED]  
[REDACTED] Paintings are often illiquid and values are never good when they are sold in a hurry. But rather than push back, Inigo said 'ok' and, in one of his meetings with [REDACTED] announced a \$4.5 million fake sale to a fictitious person called Martin Herrero. I recall Inigo being quite pleased with himself, saying 'the bear is off my back' (the bear being his name for [REDACTED]) as he explained that he'd told [REDACTED] he'd sold the work (I learnt 'Martin Herrero' was the buyer in the coming weeks). It would take me some time to normalize it in my own mind, but I got on board with it being helpful and remember saying, 'ok, how do we resolve this and over what time period'. 'Martin Herrero' then effectively went on a payment plan which I helped manage over emails with [REDACTED]. I would draft the fake emails supposedly coming from Martin, which Inigo would then check, adjust, and send to [REDACTED]. My role also entailed badgering Inigo to make payments over the next year or so until I left, at which point the debt owed by 'Martin' to [REDACTED] had shrunk from \$4.5 million to \$1.95 million. Drafting these

emails for Inigo to send to [REDACTED] from Martin's fake account did not sicken me in the same way all the interactions with [REDACTED] did when our positions in 2017 with them were bad. This is because I convinced myself I was doing a good turn to [REDACTED] in getting this money out of Inigo, and at the high prices he had agreed to.

I hated what we were doing, but it was all done on the basis that it was just temporary until the markets righted. I thought that we just needed to get over this current crisis and we'd be able to right the ship. My belief in Inigo's judgement on the art and his trading ability was fundamental to getting me through. I did know that if he was wrong on the art, it would all come tumbling down. But Inigo gave me constant assurance about the signals he was getting from the marketplace for our artists, and I chose always to keep this faith, and kept telling the lies necessary to keep the 'business' alive rather than face the consequences.

By late 2017, my role had become an extremely uninspiring one, consisting largely of administration of the relationship with [REDACTED]. Although things seemed a little more stable, the bigger sales Inigo frequently talked about never seemed to come off and we remained some way away from being in a position to square the debts, hire people, and begin the business I had envisaged. The 'big sales' on the horizon included him telling me he had sold the Stingel Picasso for \$12 million to a [REDACTED]. Another time, [REDACTED] were taking the Basquiat on a \$30 million guarantee. Another involved a buyer for a Wool work at \$10 million that we had on our books at an estimated value of \$6 million. Any of these sales would have been transformative. Their potential kept me hopeful that we could permanently right the ship, and none of them were out of line with the sorts of deals Inigo [REDACTED]. But I was never in the room with clients to see the realism of these deals. I sometimes saw auction results that would confirm the kind of numbers Inigo was discussing. And if they didn't, Inigo would always have a reason, such as that the work was damaged or had been shown around prior to the auction or something else that was specific to that particular work and not reflective of the market as a whole.

By now I had developed a technique for compartmentalizing my worries. I would try very hard to only address Inigo's business in one set hour of the morning and deal with all aspects that needed doing in this time window. Since my role was nearly all email or phone based, this was possible. I knew things were not improving but I felt that there was very little I could do to help. I realized how foolish I'd been to jump into investing my whole career where I didn't have the fundamental experience/skills to do the main job of the business. I had by now developed other clients for my consulting business and I was really enjoying working with on what were such straightforward, honest questions of business strategy and operations. I loved it so much, and it bought home to me the foolishness of my greed in 2016 when I'd known, and had said to my wife, that I would not enjoy working with Inigo as much as I did at [REDACTED] but I went ahead and did it anyway. I had seen Inigo's talent as my big break, and I just had to try and develop it.

In early 2018, Inigo was again really struggling. He could not seem to finalise sales on the bigger holdings in his portfolio. But rather than retrench and try to offload at a loss, he would support sales at auction, committing himself to large purchases of additional Stingels and Wools that he wasn't in a position to afford. The number of 'bad' positions increased from one or two, or sometimes none in 2017, to five or six in 2018, and often large. Inigo's net asset position at the bottom of my spreadsheet continued to worsen and I became very negative (mainly to myself) about the prospects of righting the ship. Inigo was always dismissive of my worries, saying I had no sense of where things really were and that he was out there having positive conversations with clients. When I was able, I would step back from the business, look at the asset list with Inigo, and I recall more than once saying, 'if you are wrong about these artists we are completely screwed'. He would say 'yes, agreed,

but I am not wrong'. I remember once when he was exasperated with me, he said that he had more faith in the long term Christopher Wool market than that the sun would rise tomorrow. It was his extreme confidence, and his prior stellar track record that caused me such a conflict. The build up in fraudulent positions and my role in some of them sickened me to the point where I believe I simply suspended the rational side of my brain, opting to trust in Inigo's judgement because the alternative was just too dire.

One thing we never discussed was my concern about Inigo's lifestyle and the spending on it. He had said that in order for clients to be confident that he was doing well and that they should buy from him, sell to him, or co-invest with him, it was necessary to show he was successful. I could intuitively see a truth in this as it had been frequently discussed at [REDACTED] amongst the sales team and [REDACTED], and 'work' did seem to bleed into all Inigo's social life. But it grated that he used a private jet for trips with his girlfriend and yet there were never funds to pay my monthly consultancy fee, which, with the exception of the very first month we worked together, I never received. Looking back I feel extremely foolish and embarrassed at my continued belief in Inigo's positive stories. I was by this stage in my late 30's and Inigo was just starting his. I should have known better and had greater confidence in my own judgement.

In June of 2018, I discovered that the \$6 million loan from [REDACTED] was in fact the sale buy back agreement described above. A number of aspects of the business that had confused me, such as the restriction on moving the three collateralized works at the center of the deal, suddenly became clear. When I spoke to Inigo about it he said it wasn't really any different from a loan, and that he'd already discussed with [REDACTED] paying off \$2 million in the coming weeks. I didn't believe Inigo would pull off the funding in time to pay off the loan and extract these works, and I felt a huge wave of sickness. The hole just seemed to get deeper, and I decided once again that I couldn't take the stress of the continual lying.

This time, however, I began looking for an exit route. I had conversations with a headhunter about an opportunity at a gallery named [REDACTED]. When this came through, I felt an immense sense of relief. Crucially, I also had a rationale to Inigo in that [REDACTED] and I were running out of money to pay the mortgage and our other outgoings after 18 months of my working for him and only her salary coming in. I realized that I could not just abandon ship completely, however, and Inigo intimated as much to me, emphasising the exposure I had. This was the first time he had ever come close to threatening me. When I had expressed doubts previously, he had always been very quick to dismiss them, saying that my relative penniless status (in comparison to him/the value of the works involved) would ensure no one would be interested in coming after me. This time, though, he said that I needed to stay in CC on all emails with [REDACTED] otherwise I was 'really f@cking him over'. This was his condition for me leaving, and I knew his intention would be to demonstrate to [REDACTED] that I was still involved. Not wanting him to 'throw me under the bus' with someone like [REDACTED] I agreed. I also saw it as a possible route to ensure some sort of influence with Inigo regarding [REDACTED].

I left my consulting business and Inigo for [REDACTED] in October 2018. I had gone the full arc from great enthusiasm, thinking we could build something great (2015), to greed in overlooking the obvious character flaws (2016), to fear of my cheating on [REDACTED] coming to light (2017) and through to real shame and fear in 2018 of everything falling apart.

Throughout 2019, I remained at the end of a phone for Inigo, and also cc'd on [REDACTED] emails. This was actually better, and an element of friendship seemed to return. I also felt far better about his business prospects, mainly, I realise now, because I was not seeing any of the numbers myself and was only getting Inigo's edited version. I also was building my own career again at [REDACTED].

In June 2019, this all changed when Inigo put the Stengel portrait of Picasso into auction with Christie's. He had asked me to do the maths behind different deals on it he was exploring. One was for a \$12 million guarantee that he planned to represent to [REDACTED] as a \$9 million guarantee. When the auction happened and the painting sold for a fraction of that number I felt sick to my core. I knew that the payouts he needed to make to [REDACTED] on it were far beyond his means. I texted him and he responded positively saying I'd misunderstood what had happened and that there were opportunities in the result for him. By this stage, however, knowing Inigo as I did, my gut told me this wasn't true, although I still desperately wanted to believe it. Inigo dealt with [REDACTED] over the result. However, when the payment deadline came in September and there were no funds, [REDACTED] flew to London to see Inigo and asked that I attend. They had a lawyer with them and the meeting resulted in no progress, with Inigo leaving early. [REDACTED] asked that I stay and said to me something like 'is everything ok with Inigo's business'. I wanted to say 'no' but I didn't. Most of this was cowardice, knowing it would only lead to 100 other questions which would expose what we had done, but part of it was a slim, wishful hope Inigo could pull things around. He'd reassured me prior to the meeting that he was sorting it out for them and I decided to hope, however slim the chance, that this might happen rather than go down the painful path and tell the truth.

When Inigo went on the run in October 2019 (something I had no prior knowledge about), my life changed dramatically. Hearing words like 'the FBI' turned my stomach to water, and shortly afterwards (in late 2019) I received my first legal threat from [REDACTED] and my life changed gears. My time with Inigo was suddenly very much not behind me and over the next two years I received a series of (mainly UK) legal inquiries and threats before this case began.

So, in summary, and to answer your question, in 2017, I joined Inigo with a sense of hope, ambition and excitement about the future, because I had committed myself, and because of a misplaced belief that I could control the problematic behavior I'd seen. I ignored my conscience saying that I didn't like Inigo and what he did, and I plowed on believing I could right things. I was so excited to build something phenomenal with him, and I lied to myself about the signals I was getting from him as a person who I would want to do this with. Then later, once I saw and became part of the fraud, I kept with it out of fear. First, fear that my betrayal of [REDACTED] and of [REDACTED] would come out, and then fear that my earlier involvement would be discovered.

I look back on it with such a deep sense of shame. I can recall all the positive conversations I had with friends and family about Inigo and how we were going to build something great – this I am not ashamed about. What I am deeply ashamed about is forcing down my sense of what I KNEW at the time to be something wrong in the pursuit of building that 'something great'. By telling myself that it was remote – it was always Inigo, not me doing the wrong – I was lying to myself about my involvement. In reality, I not only furthered the crime when I sent false forms to [REDACTED] confirmed lies to [REDACTED], or drafted emails as 'Martin Herrero'. It was my presence that helped him appear more credible to his financial investors, and my organizational skills that helped keep the fraud running longer, ultimately allowing more people to lose more money.

I am disgusted by what I did. Over the last four years since Inigo went on the run, I have played over in my mind at least 1000 times how different my life would be now if I could go back to the 1st of January 2017 knowing what I know now. How the ambition (and greed) that drove me to him, and then the fear that kept me working with him, were so trivial compared to the travesty of my situation now – and to the real things that matter in life.

Explaining the above to my two young children was the hardest thing I have ever done. Their disappointment in me when they asked if I had actually done what the Americans were accusing me



of, and I said 'yes', was a moment that will live with me forever. They had a black and white view of the world, of right and wrong, of those on the good side and those that do bad. I believe it isn't quite like that, that the same person can do good and bad things, but I also believed I would always be someone who did good. To admit to them that I was part of a huge fraud over years, and not to caveat it, but to admit my role in full, was extremely difficult. The year and a half since my arrest has given me more time to be with them, but "Inigo" has been a dreaded term in the home, casting an ever-present shadow over the life of my family for the past four years. The shame of explaining it to others has paled by comparison to the family impact. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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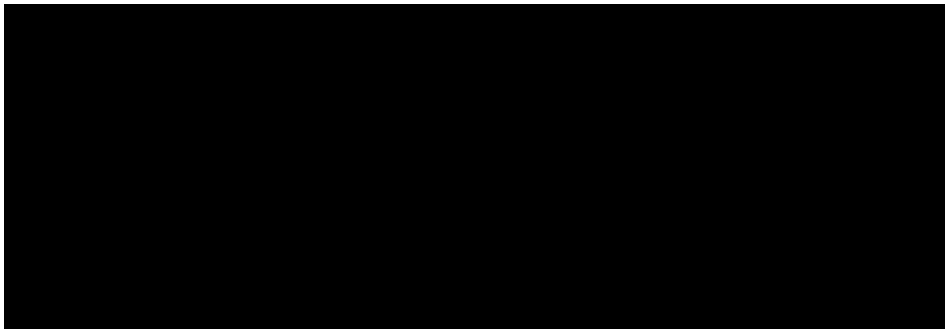
I would also like to talk about the victims. There are multiple parties hurt by my crime, but in my mind there are three who were the most direct victims of my involvement. Firstly, there is [REDACTED] I have written here a lot about them and that is because they were by far the investor in Inigo with whom I had the most contact and the ones I feel huge responsibility for. I know they have been personally and financially hit by this and it has put a huge strain on their young family, changing their lives completely forever. I want to take the opportunity here to apologize to them. I am very sorry to [REDACTED] for what I did and the hurt it has caused them and their family. Similarly, I offer [REDACTED] my sincere apologies. What I did was despicable, and I hope they have been able to put it behind them and move forward. I saw recently a review for an absolutely stunning [REDACTED] and it made me glad the institution is still thriving, but also so sad that I was no longer a part of it – or could ever even go through its doors.

Looking ahead, I want to start to rebuild my life. Previous to 2017, I had a healthy young family, a great career, and what by most standards would be a dream life. I aim, with the help of my wife, young daughters, and extended network of family and friends, to rebuild. Given my criminal record, finding work after prison will be very difficult, so I plan to use this setback as a chance to start my own enterprise, completely outside of the art world and in a new industry. Starting my own business is something I have long wanted to do, and thought I was building towards with Inigo. I now want to do it properly. I have been developing the intellectual property with one of my brothers regarding a children's play table, and plan to try to take this to market if the opportunity is still there once I have served my sentence. With my father, I am discussing a line of redesigned mobility aides.



I've learnt a lot from the Inigo experience. Firstly, to trust my own instinctive judgement on the morals of any action. I will ask the question of whether I would be happy explaining my actions to my mother, and if the answer is no, or even remotely no, then it's not for me. Secondly, not to put myself in any situation where my fortunes depend upon the actions of someone else. After January 2017, I was tied to Inigo's actions and did not step away at each juncture when I should have. I don't plan to ever be in a situation like that again, and if I were ever even close, to always adhere to the first lesson and to step away.

Lastly, I'd like to close this letter by offering an apology to the other victims I know of, who without my involvement may not have lost so much. The horrible impact that this has had on their lives is unknowable to me and I wanted to take this opportunity to recognise this to these people and to again offer my deepest apologies. I am so very sorry:



Sincerely,



Robert Newland